

Department of Finance		Fund: 1029
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> The Public School System Stabilization Account		
<u>Legal Citation/Authority</u> California Constitution, Article XVI, Section 21 (a) Proposition 2, 2014		
<u>Fund Classification</u>  <u>GAAP Basis</u> Governmental/General Fund	<u>Fund Classification</u>  <u>Legal Basis</u> Governmental/General Fund Special Account	
<u>Purpose</u> The Public School System Stabilization Account is created within the General Fund as a depository for specified funds transferred from the General Fund for State support of school districts and community college districts.		
<u>Administering Agency/Business Unit Code</u> Public School System Stabilization Account/9889		
<u>Major Revenue Source</u> Transfers from the General Fund.  California Constitution, Article XVI, section 21 (h) states “notwithstanding any other provision of this section, for any fiscal year, the amount of a transfer to the Public School System Stabilization Account pursuant to subdivision (b) shall not exceed an amount that would result in a balance in the account that is in excess of 10 percent of the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes for that fiscal year pursuant to Section 8.”		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<u>Appropriation Authority</u> In accordance with California Constitution, Article XVI, Section 21 (i), “In any fiscal year in which the amount required to be applied by the State for the support of school districts and community college districts for that fiscal year pursuant to Section 8 is less than the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes in the prior fiscal year, plus any allocations from the Public School System Stabilization Account in the prior fiscal year, less any transfers to the Public School System Stabilization Account in the prior fiscal year and any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for the percentage change in average daily attendance and adjusted for the higher of the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B or the cost of living adjustment applied to school district and community college district general purpose apportionments, the amount of the deficiency shall be appropriated and allocated by the State from the Public School System Stabilization Account for the support of school districts and community college districts.”		
<u>State Appropriations Limit</u>  Always Excluded – The major revenue source is a transfer from the General Fund which has already been counted and should not be double counted		

**Comments/Historical Information**

In accordance with Article XVI Section 21 (l), the Controller may utilize funds in the Public School System Stabilization Account determines to currently be unnecessary for the purposes of Article XVI, Section 21, to help manage General Fund daily cash flow needs. Any use of funds by the Controller pursuant to Article XVI, Section 21 (l) shall not interfere with the purposes of the Public School System Stabilization Account.